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## SUMMARY

Plans to celebrate the "Liberation" in the Dairen-Port Arthur district make no mention of Russian evacuation, though the Sino-Soviet agreement obligated the Russians to get out in 1952. Steady claims of industrial progress through Russian techniques apparently were not sufficiently convincing, as Chinese resistance has led to an urge for new propaganda on Soviet superiority. One provincial Sino-Soviet Friendship Association has a new membership goal of two million, along with plans to popularize Russian movies as well as Soviet industry, and send to the USSA pictorial proof that the SSFA is working. The radio eulogizes Russian advisers, and gives solemn assurances that the "great ally" is industrializing China by planning and actual participation. Workers are warned they must "humbly" study Russian methods.

Despite the housing shortage, Shanghai workers' houses are torn down to widen arterial highways, no doubt for military reasons. Preferential treatment burdens demand enlistment of women and old men; special schools train disabled veterans; and wounded soldiers who can be restored are returned to Korea. Winter clothing is scarce, there is no starch for cloth manufacture, and the drug shortage had led to widespread dangers from local pharmaceutical concoctions. Yet the Chinese still hear that the U.S. failure in Korea is obvious, and the American people are rebelling.

Steps to tighten the Party stranglehold and establish a police State have not yet brought a response from publishers and newsmen, but college graduates definite; are resisting. Counterrevolutionary activities are revealed in Hupeh, where the "bandits" have corrupted and enlisted peasants, and even Militiamen. Choice of Yunnan as the center for a vicious attack on Thailand might have some relationship to counterrevolutionary action in this border province.

In Sinkiang the Party has decided upon immediate implementation of land reform. though cadres are warned not to touch the livestock areas, which must remain "semifeudalistic." Pleas for understanding between Han and minority cadres, and elimination of "narrow nationalism" among the latter, begin to reveal more clearly the Sinkiang situation.

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